

## Vehicle License Fee Change

### Information

Legislation effective January 1, 2005, permanently **reduces** the vehicle license fee (VLF) to 0.65 percent of the market value of the vehicle, and eliminates the VLF offset for vehicles and park trailers with fees **due on or after January 1, 2005.**

Formula:	Example:
<b>Market Value</b>	\$20,000
<b>x .0065</b>	<b>x .0065</b>
<b>VLF</b>	<b>\$130</b>

Original registration and renewals with an expiration date prior to January 1, 2005, will receive the VLF offset.

### VLF Rate Table

The Vehicle License Fee Rate Table (REG 360) and the Vehicle License Fee Rate Table Park Trailers (REG 361) are being revised to reflect the 0.65 percent VLF. Both will be available on DMV's Internet site at [www.dmv.ca.gov](http://www.dmv.ca.gov) by selecting "Vehicle Industry and Commercial Permits" and scrolling down to "Industry Information."

### Background

The VLF was based on two percent of the market value and an eleven-year depreciation schedule (eighteen-year depreciation schedule for park trailers). Various rate reductions were instituted as "offsets," ending with the current offset of 67.5 percent. The legislation changes the percentage from 2 to 0.65 and reduces the VLF permanently. The eleven-year depreciation schedule for vehicles and the eighteen-year depreciation schedule for park trailers remain unchanged.


### Distribution

This memo was distributed in October 2004 to the following:

- Dealers
- Registration Services

### Contact

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.



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